

**BASIS STATEMENT: Chapter 594 – State Contribution to Overboard
Discharge Replacement Projects.**

This proposed amendment to the existing Chapter 594 rule contains changes to make the rule consistent with recent amendments to 38 M.R.S.A. §411-A(2-A), §413(3) and §414-A(1-B). The amendments change the basis for reimbursement from property usage to annual income of the property owner for the previous year. The changes also provide reimbursement for replacement systems required by property transfers and reimbursement for system replacements required at time of relicensure.

Additional changes include:

- a) Section 1 adds several new definitions to clarify property usage, construction costs to include easement or property purchase if unable to install a system on property owned or controlled by the applicant, project administration by town or individual and what constitutes a replacement system. Two definitions are being eliminated, since they are no longer needed.
- b) Section 3 on priorities establishes two levels and clarifies who the department will solicit input from in developing our priority.
- c) Section 5 adds wording to clarify what is required as part of the application from the property owner.
- d) Section 6.A on the use of funds clarifies eligible costs and adds cost and benefit analysis and expected system operation as part of the consideration of reasonableness and necessity of installation.
- e) Section 6. clarifies grant percentage for multi-use properties based on a pro-rata share of all uses based on waste flows.
- f) Section 6.D covers expanded use of a property.
- g) Sections 7.C & 7.D clarify grant administration and replacement system installation based on individual or Town administration.
- h) Section 9.A clarifies bidding requirements for individual and town administered projects.
- i) Section 9.B clarifies which documents are required for a contract.
- j) Section 9.C requires notification to the department before a contract is awarded.
- k) Section 9.D clarifies how payments will be made for individual and town administered projects.
- l) Section 10 clarifies inspection requirements for subsurface disposal systems and public sewer connections.

The Board of Environmental Protection gave permission to hold a public hearing on the proposed rule changes on May 6, 2004, the rule was posted on June 9, 2004, a hearing was held on July 1, 2004 and the deadline for accepting public comment closed at 5:00 p.m. on Friday, July 16, 2004.

Chapter 594 – State Contribution to Overboard Discharge Replacement Projects.

The following person was the only person who testified on the proposed changes to Chapter 594 at the hearing:

Robert E. Johnson, 5 Modockowando Trail (Tel. 882-5232)

Comment: Mr. Johnson raised concerns over the grant percentage reimbursement amounts. He thought the income brackets established to determine the amount of reimbursement would place an undue hardship on persons in the \$50,000 range, since they would only receive a reimbursement of 50% and systems could cost in excess of \$30,000-40,000.

Response: The grant reimbursement amount is established in Statute and must be reflected in the rule. There have been few comments indicating undue hardship in replacement system installations accomplished to date. Therefore, no additional rule change is being proposed in response to Mr. Johnson's comments.

There are no corresponding federal laws or regulations pertaining to the proposed rule or changes.

Minor changes were made to the proposal to correct grammar or clarify language and cross references within the rule or to other Department rules. Minor language changes were added to reflect existing statutory language.